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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC 3129

INFO RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 5421

RUEHBJ/AMEMBASSY BEIJING 3148

RUEHKO/AMEMBASSY TOKYO 3013

RUEHIT/AMCONSUL ISTANBUL 3665

RUCNDT/USMISSION USUN NEW YORK 1049

RHMCSUU/CDR USCENTCOM MACDILL AFB FL

RUEHVEN/USMISSION USOSCE 3709

RUEAIIA/CIA WASHDC

RHEFDIA/DIA WASHDC

RHEHNSC/NSC WASHDC

RUEKJCS/SECDEF WASHDC

RUEKJCS/JOINT STAFF WASHDC

UNCLAS ASHGABAT 000876

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB

PLEASE PASS TO USTDA DAN STEIN

ENERGY FOR EKIMOFF/THOMPSON

COMMERCE FOR HUEPER

E.O. 12958: N/A

TAGS: [EPET](#) [PGOV](#) [EINV](#) [TX](#)

SUBJECT: TURKMENISTAN: DISMISSAL OF TURKMENISTAN'S HIGHEST RANKING OIL AND GAS OFFICIAL

¶1. (U) Sensitive but unclassified. Not for public Internet.

¶2. (SBU) SUMMARY: During an expanded Cabinet session on July 10, President Berdimuhamedov announced the dismissal of Tachberdi Tagyev, the Deputy Chairman of the Cabinet in charge of the oil and gas industry. Berdimuhamedov cited the "unsatisfactory rate of development of the oil and gas industry" as the main reason for his dismissal. Tagyev was given a new appointment to the position of Director of the Seydi Oil Refinery. Baymyrat Hojamuhammedov, who served as Chairman of Turkmenbashi State Concern, replaced Tagyev as Deputy Chairman of the Cabinet. END SUMMARY.

¶3. (SBU) Tachberdi Tagyev is one of the longest serving Turkmen officials and one of the last remaining officials from the late President Niyazov's Cabinet. Starting in 2000, he served in the following capacities: Deputy Chairman of the Turkmen State Oil Concern, Minister of Oil and Gas Industry and Mineral Resources, Governor of the oil-rich Balkan province, Director of the Turkmenbashi Oil Refinery, Chairman of the Turkmenbashi State Concern, and Deputy Chairman of the Cabinet of Ministers. Turkmen oil and gas sector employees characterize Tagyev as a "production person" rather than a "paperwork person", emphasizing that he can more successfully manage production facilities rather than run an office.

They also consider him very skillful at avoiding signing any documents that might cause him problems and note that he has survived considerable scrutiny and a number of investigations of his professional activities. (COMMENT: U.S. energy company reps also describe Tagyev as very skillful in keeping paper from moving forward. END COMMENT.)

¶4. (SBU) Tagyev's replacement, Baymyrat Hojamuhammedov, had not previously held any high-ranking positions before his unexpected appointment as Minister of the Oil and Gas Industry and Mineral Resources in 2007. He moved to the position of Chairman of the Turkmenbashi State Concern in 2008. He has vast experience in gas trade issues, which he accumulated while working in the Turkmen Oil

and Gas Trade Corporation in 2003 - 2006, and is believed to be a skillful negotiator, a skill that his predecessor was reportedly lacking. He has played a key role in conducting the recent gas sales negotiations with Iran, which resulted in an agreement to increase gas exports to that country. He also reportedly has very good relations with President Berdimuhamedov, but there are conflicting rumors as to when and how he managed to build those relations.

¶5. (SBU) COMMENT: Rumors that Tagyev would "soon" be fired have circulated for at least two years. Why was he fired now? The information available thus far is insufficient for any definitive conclusions regarding the actual reasons behind Tagyev's dismissal, but there are several versions that are worth mentioning. Version 1: The President may have wanted to have "one of his own" in this key position instead of the Niyazov-era Tagyev. Factors supporting this version are the fact that Hojamuhammedov has been steadily moving up the chain of command since the beginning of with Berdimuhamedov's presidency and that fact that rumors about Tagyev's dismissal and Hojamuhammedov's appointment began circulating in the country a few months ago. Version 2: Hojamuhammedov was appointed in the hope that he will be more effective at a time when Turkmenistan is trying to move forward with diversifying its energy exports and has significantly intensified its efforts to achieve such diversification. Version 3: Berdimuhamedov, on the eve of his trip to Moscow, needed a scapegoat for the problems with Russia over gas. END COMMENT

MILES